Tells the Facts and Names the Names

CounterPunch

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Adidas and China's Political Prisons

For the past year, Nike has lost a sizeable chunk of its market for athletic shoes as buyers reacted to a string of stories documenting the company's use of sweatshop labor. A prime beneficiary of Nike's slump has been one of its chief competitors, the German firm Adidas, which portrays itself as adamant in its concern for human rights.

But now Adidas is facing its own PR nightmare. In an action that has attracted little attention here, a group of former Chinese political prisoners has filed a class action lawsuit against Adidas in Washington. The prisoners charge that they were forced to stitch together commemorative World Cup soccer balls at slave labor camps near Shanghai.

The lead plaintiffs in the lawsuit, which was filed early this month in DC District Court, are Bao Ge, who was released from prison last year and now lives in the United States, and Yang Qinheng, who served at the First Shanghai Labor Re-education camp between 1994 and mid-1997. Defendants include Jiang Zemin, head of the Chinese government, and Steven Wynne, who runs Adidas's US operations.

China, like the US, operates a prison-industrial gulag. Prison labor is especially pervasive at the vast network of "re-education through labor" camps, which hold almost a quarter of a million prisoners. Many of those incarcerated at the camps are charged with crimes against "public security". They are often denied any formal judicial proceedings and sentenced by administrative decree.

Indeed, Yang was recently re-arrested and sent back to the camp after giving a speech in which he called for greater labor freedoms for workers. His arrest order says that his speech, called "Our Statement on Laid-off Workers", had "negatively affected the stability and tranquility of social order".

The political prisoners suing Adidas claim that they were "coerced under slave-labor conditions into waxing, stitching, sewing and making Adidas soccer balls 14-18 hours a day under inhumane conditions". Such acts, they say, violate international laws including the Nuremberg Charter, the Universal Declaration of Human Rights and International Labor Organization conventions on the abolition of forced labor.

The complaint charges that political prisoners at the re-education camp worked for Shanghai Union Ball Enterprise Corp., an Adidas subcontractor. It says that Adidas "knew or should have known that soccer balls bearing its trademark were manufactured by cheap slave labor...Its silence concerning this practice has, at least, demonstrated gross and wanton negligence while in pursuit of the greater profit margin. Defendants' unjust enrichment is built on the plaintiff's untold sufferings." Prisoners claim they made soccer balls for a number of other firms as well, including the American company Brine Inc.

Attached to the complaint are eloquent statements from Bao Ge and Yang Qinhang. We offer excerpts from the two statements — edited due to the two men's poor English, but faithful to the originals.

BAO GE

"In June 1994, I was sentenced to three years of Coerced Labor Re-education on charges of disrupting the peace and order of society. The real reason was my organizing, through a decade-long effort, a civic forum calling for an open, fair and democratic referendum to determine several popular issues.

"The guards at the Labor Education Camp compelled the prisoners to work at least 15 hours every day, without rest on

(**"Adidas"**, *continued on page 6)*

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Our Little Secret

In Al Gore's Backyard

Almost everything you need to know about the political contradictions of Al Gore are summed up in the condition of 80,000 acres in his home state of Tennessee. At the heart of these acres in the Cumberland mountains is the 30,000 acre Fall Creek Falls state park, boasting the most glorious scenery in the state and the tallest waterfall east of the rockies. Not far off is the ancestral tobacco farm of the Gore family. Yet now, to the rage of many of his fellow Tennesseans, Gore preserves a sphinx-like public silence as the park teeters on the verge of becoming an environmental wasteland,with acid-laced streams deadly to the trout which draw anglers from across the country and the neighboring hillsides hideously scarred.

The threat comes in the form of stripmining for high sulfur coal, which Skyline Coal plans to gouge out of the hillside in thousand-acre scoops, a hundred feet deep.

In 1995 a group of Tennessee working people in the area, many of them blue-collar and remote from any knee-jerk designation as "green zealots", formed Save Our Cumberland Mountains. Foremost in their concerns was the sudden downswing of the local economy, based on garment factories, which has been ravaged by the North American Free Trade Agreement, hotly supported by Gore. NAFTA hastened the flight of these garment firms to Mexico. For economic salvation the residents looked to the tourist industry, itself heavily dependent on the Falls Creek Falls state park.

The group petitioned the Office of Surface Mining to declare the 80,000 acre watershed feeding the park unsuitable for stripmining.

Historically, the Office of Surface Mining has always been an accomplice of the coal companies. But there were those on the greener side of the political fence who raised a cheer when a new chief was installed, in the form of Kathy Karpan. She's a political protege of Al Gore and has hopes of one day becoming Secretary of the Interior. But Karpan has so far given Skyline mining a green light.

How come Gore, no fool, is making so many enemies in his own state on an issue where the rights and wrongs are so self-evident? Here comes the final pointer to his political character. Like Bruce Babbitt, Ms Karpan's boss at the Interior Department, Gore is terrified of the corporate "takings", argument. Inhibition of Skyline Coal's "right" to stripmine would constitute a "takings", i.e., an affront to the sacred rights of property, before which all other rights — to breath clean air, drink clean water, enjoy public assets, must bow down in homage. Gore duly bows in homage.

The Walton Saga

A few issues back we reported that Wal-Mart billionaire Alice Walton had been convicted by a court in Arkansas for DWI, in an accident in which she smashed up her Toyota 4Runner while driving alone. At the time of the affair, Walton stirred up public ire by challenging the arresting officers, saying "You know who I am, don't you?"

On June 17, Judge Stanley Ludwig fined Walton $850 and ordered her to perform 24 hours of service at a community center in the town of Springdale. Walton has now served her time, but the Northwest Arkansas Times has raised a few questions about the terms of her servitude.

For starters, an employee at the center told the newspaper that he had seen nothing of Walton when she was supposed to be performing the good deeds. (The employee was reportedly disciplined for speaking with the press about the case.) What's even more curious is that the community center announced to the press that Walton had served her time, beginning with fourteen hours on June 12 and June 13. Now, why would Walton have begun doing her "time" five days before Ludwig sentenced her?

Toxic Outings

Over the past decade the Sierra Club has gone to court dozens of times to stop the Forest Service and Bureau of Land Management from spraying pesticides on federal lands. The Club's lawyers have justly argued that pesticides pose a cancer threat to humans, pollute the ecosystem and that, if the offending vegetation must be beaten down, there are dozens of less toxic methods at hand. This noble stance has apparently not been communicated to one of the Club's big money making wings, its Outings Division, which sells guided hikes on public lands across the nation. In the California Desert National Park and surrounding federal lands, the Sierra Club's Outings Division is promoting the use of Garlon and other pesticides to kill tamarisk and other plants growing along streams. According to David Orr of the John Muir Project, in some instances the pesticides are being applied by Sierra Club "volunteers".

Tamarisk is a non-native shrub that has a tendency to clog up hiking trails. Susan Heitman, of the Sierra Club's Outings Governance Committee, defends the policy, stating that "the Desert Committee folks feeling strongly that tamarisk is a much greater threat to habitat than Garlon is [to humans and wildlife]." Heitman suggests that the Club can deal with this problem by simply informing potential hikers "where this or any other pesticide will be used, thus allowing them to make an informed choice as to whether they want to participate (and warning off any people who might have allergies or sensitivities to these substances)." No word yet on how the Club plans to alert the Desert tortoises.

And Injustice For All

The president now stands beleaguered

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and in his travails he is an instructive exhibit of what ordinary people face every day from the US Department of Justice, whose almost limitless powers have been eagerly buttressed by Clinton himself. When the Lewinsky affair first broke, it seemed a fair bet that the President could play for time until his term expired. Yet see him now. In a mere 6 months, despite the most resourceful lawyers and intrepid spin-doctors Clinton's legal barricades have been breached, just as any attorney with experience in the criminal bar could have predicted.

Start with the so-called "transactional immunity" given by independent counsel Kenneth Starr to Monica Lewinsky and her mother, Marsha Lewis. Under the bargain whereby she gained this immunity Lewinsky agreed to answer questions and in the course of her responses reportedly conceded she had an intimate sexual relationship with the President. In return for this admission, which implies that the President perjured himself in his sworn denial of such intimacy, Lewinsky now essentially has immunity for any crime she may have committed in her life thus far. "Transactional immunity" is an all-embracing category.

Not only that. The prospect of Lewinsky's testimony was so appetizing to Starr that he assented to her demand that her mother also be given transactional immunity. This may have been no small gift, since Ms. Lewis was apparently involved in efforts to mislead government investigators. In other words Monica's promised testimony may have got her mother off a serious rap for obstruction of justice.

Most days in America a prosecutor somewhere is offering someone immunity, or a reduced sentence or financial compensation in return for testimony against targets of their investigations. Ever since confessions extorted by beatings were phased out in the early 1930s, these promises have become the prime lubricant of the justice system in this country.

Such prosecutorial promises have certainly become a constant feature of the war on drugs pressed relentlessly by Clinton's Justice Department. More often than not, these promises have been made to big-time dealers who then testify against the small fry. The immunity deals have become so epidemic that the Tenth Circuit Court of Appeals recently agreed with a defense lawyer that one such promise made by the prosecution to a witness against his client did indeed constitute an unlawful bribe. The entire bar is now awaiting breathlessly the US Supreme Court's ruling on the matter.

To make her scheduled confessions, so damaging to the President, Lewinsky will go before a grand jury in Washington DC as the seventieth witness called by Starr. As originally conceived, the role of the grand jury was to probe the merits of a prosecutor's case. But as long ago as 1929 Raymond Moley established in his famous book, Politics and Criminal Prosecution, that grand juries have become rubber stamps for prosecutors. Such is the undoubted truth today. Rare is the grand jury in which there are citizens with enough tenacity and self-assurance to give the prosecution's case an unsparing scrutiny.

No, it was not Bill Murray who played the Fernando Lamas character in Saturday Night Live, and yes, it was Billy Crystal.

Ultimately the President may insist that he cannot be forced to go before the grand jury but short of this extreme position he has already argued that he should be allowed to have his lawyer, David Kendall, present when he is questioned. Every day ordinary people face prosecutors in grand jury proceedings without benefit of counsel.

Clinton and his supporters have vehemently protested Starr's efforts to question White House lawyers such as Bruce Lindsay and have argued that this would be an unprecedented onslaught on client-attorney privilege. For ordinary people such onslaughts have become ever more frequent, particularly in the war on drugs. James Inciardi writes in his excellent 1986 book The War on Drugs: "Since the Tax Reform Act of 1984 requires attornies to report cash payments of $10,000 or more, attornies can be brought before a grand jury to testify about fees and other information that is privileged. In consequence many attornies are not accepting drug trafficking cases, with the result that the integrity of the Sixth Amendment right to counsel has been called into question."

Daryl Doesn't Fly

Bid adieu to Daryl Jones, the Clinton/Gore pick to be the next Secretary of the Air Force. It was here in CounterPunch that Jones first came under scrutiny for double-dealing, lying about his flying record, compelling his subordinates in the Air Force reserve to pony up in his Amway enterprise, his bond deals, and his service as a Florida state senator to build a new airport at Homestead, next to the Everglades.

In late July the Senate Armed Services Committee took a final look at the Jones nomination and said, No.

To Err is Human

Well, it brought in a torrent of readers' letters and, since it appeared towards the end of a long story, it's encouraging to know that most of you read your CounterPunch from start to finish. But yes, we did screw up. No, it was not Bill Murray who acted the Fernando Lamas character in Saturday Night Live, and yes, it was Billy Crystal.

And, since we're cleaning house here, let us emphasize that we don't believe Vince Foster was murdered. Somehow, a few issues ago, we managed to say we don't believe he committeed suicide. We made an honest mistake and we didn't even get a grant from Richard Mellon Scaife, who paid the American Spectator over $200,000 to make the same claim.

Whiteout, At Last...

Here at CounterPunch we are just admiring the first copies, hot off the press, of Whiteout: The CIA, Drugs and the Press, by two of the CounterPunch team, Alexander Cockburn and Jeffrey St. Clair. We are delighted that already our book has gotten a positive reception from Robert Parry, editor of IF Magazine and one of the pioneers in exposing the CIA/Contra/drug nexus. Whiteout is really a history of the CIA's criminal associations and conduct since its inception fifty years ago. Starting with US intelligence complicity with Lucky Luciano and Meyer Lansky and carrying the story forward down the decades through Chiang Kai-shek's opium totting private army to the Agency's mind control experiments to its anti-labor wars on the waterfronts of New York, Marseilles and Shanghai, through Vietnam and Laos to Central America and Afghanistan. CounterPunch is offering 400-page hardback for $18 (postage included), $7 off the list price.

CounterPunch will now take its usual summer break. See you in September. ■

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Vindicating Gary Webb

Justice Dept. Report Confirms Contra Cocaine Ties

In barely a twitch of the calendar we'll be at the second anniversary of a newspaper series that stirred up a huge uproar and saw a news reporter virtually drummed out of the trade. And since, this summer, we've seen other reporters — working for CNN and for the Cincinnati Enquirer — come under savage attack and their careers blighted, it's useful to see the aftermath of the firestorm provoked by Gary Webb's series, published in August of 1996, in the San Jose Mercury News, about the conniving of the CIA in the drug trafficking of Nicaraguan Contras.

Amid furious denials by the Agency, its then-director, John Deutch promised a thorough internal report. At the start of this year, after much delay the Inspector General, Fred Hitz, finally released the first of two volumes, heavily censored.

The censored first volume was made public at the end of January of this year and, far from being an exoneration, proved on close reading to buttress Webb's accusations. In mid-July, the CIA has now launched a repeat of its propaganda maneuver of last December. The second volume of the CIA Inspector General's report has yet to be released, but on July 17 the New York Times published a news report, by James Risen, about it.

Instead of describing the volume's contents, or quoting from it, the Times's story offered no direct quotes, spent only three paragraphs describing its contents, and devoted much space to yet another attack on Gary Webb, replete with an unattributed quote from someone described only as "a US intelligence official", to the effect that the Agency had clean hands.

It should come as no surprise that James Risen should write such a dismissive account. Back in December Risen was working for the Los Angeles Times when he co-wrote an article with Doyle McManus, titled "CIA Absolves Itself of Crack Cocaine Claims". The article quoted unnamed intelligence sources who claimed that the then classified report "concludes that charges that the CIA actively protected drug traffickers in California who funded the Nicaraguan rebels known as Contras are 'without foundation'".

Risen's former employer, the Los Angeles Times, unfurled its latest assault on Gary Webb with a July 25 story purporting to describe the contents of a review of the Mercury News series by Michael Bromwich, the Inspector General of the Justice Department. Bromwich, a former member of Lawrence Walsh's Iran/contra team, was asked by Attorney General Janet Reno in September of 1996 to look into charges that federal law enforcement officers and prosecutors exhibited a startling degree of tolerance for the illicit activities of several Nicaraguan exiles who actively backed the Contra cause, namely Danilo Blandon and Norwin Meneses.

The ten-paragraph Times story parrotted Bromwich's conclusion that his review—which had been kept classified since December of 1997— "did not substantiate the main allegations suggested by the San Jose Mercury News articles".

"It is also believed by the FBI...that Norwin Meneses was, and may still be, an informant for the CIA", wrote FBI agent Donald Hale in 1988.

But the Los Angeles Times story, which uses the occasion to take a few more whacks at Webb, shows no evidence that the paper's reporters even opened Bromwich's 500-page report, choosing instead merely to quote from the press release. A close reading of the report reveals that the document is replete with evidence of cocaine-dealing by Contras and Contra supporters who were protected and, at times, even employed by the federal government.

Bromwich strains to clear the Justice Department and its subsidiaries (including the FBI, Immigration and Naturalization Service, Drug Enforcement Agency and US Attorney's Office) of any direct implication in the multi-million dollar drug enterprises operated by Meneses and Blandon. But the Inspector General is forced to concede that the foundations of Webb's story were true. The men had fled Nicaragua to California after the Sandinista revolution, where they almost immediately joined Contra support groups in Los Angeles and San Francisco. Meneses was allowed to enter the US despite knowledge by the FBI, INS, CIA and DEA of a robust criminal rap sheet, including allegations of drug trafficking. Bromwich confirms that both men attended several meetings with Contra leaders Enrique Bermudez and Eden Pastora, both of whom pleaded for money. The Justice Department review acknowledges that the two men soon developed "a large scale drug ring" and cycled portions of the profits to the Contras. Bromwich concedes that both men were not inconvenienced by prosecution through the height of the Contra war. When Blandon was finally arrested and convicted, he was given an inexplicably light sentence. Both men ended up as paid government informants for the DEA.

The Justice Department's Inspector General attempts to minimize the damage by discounting the amount of drug money the Nicaraguans forwarded to the Contras. Bromwich claimss Webb exaggerated the amount, although he admits that the exact figure remains "unclear". In the end, Bromwich remarks lightly, as though he were discussing charitable disperments to the United Way, "both gave some contributions to the Contras, in the way any successful exiled businessman might—only in this case, their successful businesses were cocaine distribution networks".

Bromwich portrays Meneses and Blandon as cocaine dealers first, who were also willing to donate "modest sums" to the Contra effort. After 1986 this may have been the case. But in the beginning, according DEA and FBI sources and interviews conducted by the Inspector General, both Meneses and Blandon seem to have played a more active role in the Contra cause. For example, Blandon admitted to the Inspector General's investigators that the reason he got started in the cocaine business was to find a way to send money to the fledgling Contra movement. Blandon said the plan was concocted by Meneses and that he agreed to go along because he "had nothing to lose" and was "willing to do anything to get back to Nicaragua".

A big smoking gun in the report comes with a passage recording that a trusted FBI

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informant had told special agent Douglas Aukland in 1986 that Meneses and Blandon were more than bit players, that they were, in fact, "founding members of the FDN" and were steering their drug profits to the Contras. The informant, who was paid $10,000 by the FBI for the information, said that in January of 1985 Contra leader Eden Pastora met with Blandon in Miami "to seek cocaine funds from Blandon to fund Contra operations". This is no less than three years after the Los Angeles Times and other papers critical of Webb have claimed Blandon stopped sending drug money to the Contras.

Although early press stories by the Washington Post's man on the CIA beat, Walter Pincus, among others, asserted that after an unrelenting search neither Blandon nor Meneses showed up in CIA files, Bromwich's review shows that the CIA had been aware of Norwin Meneses' unsavory reputation since at least 1968. In that year, the CIA was asked what it knew about Meneses by the Nicaraguan attorney general's office. The Nicaraguan authorities were investigating Menese for involvement in the murder of a "money changer". The CIA communicated the request to the FBI, which provided the agency with Meneses' rap sheet of crimes committed on his trips to San Francisco, including arrests for shoplifting, misuse of slot machines and statutory rape.

Then in 1976 the FBI and the CIA developed information that Meneses was the head of a stolen car ring in Manuaga and that he was also head of an operation that was smuggling cocaine and marijuana into the US inside cars and planes. The Agency also suspected Meneses of arrainging the assassination of former Nicaraguan customs official Oscar Reyes. Even so, Meneses was allowed to travel freely in the United States.

The reason Meneses enjoyed such freedom may be hinted at in a 1986 memo written by US Attorney Rodolfo Orjales. Orjales said that Meneses had ongoing dealings with Contra commander Enrique Bermudez, noting that Meneses "dealt with Contra leaders to promote his cocaine enterprise". The memo also stated that Menese "negotiated an arrangement with Honduran military police to export 20 kilos of cocaine a month from Honduras". The memo makes reference to a 1985 FBI report stating that Meneses had a reputation "as a gun runner and may have worked for the CIA".

In his report the Inspector General of the Justice Department reveals that the FBI, for one, wasn't always pleased to hear disparaging information about Contra drug running, even when it came from people sympathetic to the Contra cause. A retired economics professor named Dennis Ainsworth became disturbed that many of the Contra leaders in the San Francisco area seemed to be involved in criminal enterprises, including the skimming of Contra funds into personal accounts and involvement in the drug trade. Ainsworth took his concerns to the FBI. When he mentioned that Norwin Meneses was involved with drugs, he told the IG investigators that he was shouted down by two FBI agents. "How dare you accuse Mr. Meneses of anything," Ainsworth recalled one of the agents screamed. "There are no files against Mr. Meneses in any government agency. Who the hell are you?"

There is a reason the FBI may have been somewhat touchy on the subject. A January 1988 memo written by FBI Special Agent Donald Hale notes, "It became apparent to the FBI that Norwin Meneses was, and may still be, an informant of the DEA. It is also believed by the FBI, SF, that Norwin Meneses was, and may still be, an informant for the CIA." The implications of the explosive memo is not explored by Inspector General Bromwich, who notes the convenient fact that Hale is now dead.

A DEA agent wrote: "they [CIA] have gone so far as to encourage cocaine trafficking by the Contras because they know it is a good source of income."

Then there is the intriguing case of Ivan Torres. Torres was a member of the Blandon ring and an official of the FDN's California office. According to a memo in the Inspector General's report, Torres told an informant for the DEA that he had received CIA training and boasted that the "the CIA looks the other way and in essence allows them (the Contras) to engage in narcotics trafficking as long as it is done outside the US." The informant also said that Torres claimed the Blandon ring had been supplying weapons to Eden Pastora.

The DEA agent who prepared the memo of the Torres interview wrote, "the CIA wants to know about drug trafficking but only for their own purposes and not necessarily to assist law enforcement agencies...*Torres told [DEA] that CIA representatives are aware of his drug-related activities and that they don't mind. He said they have gone so far as to encourage cocaine trafficking by members of the Contras because they know it is a good source of income.*" (Our italics.) This single sentence would surely leap out at any reporter who was taking the trouble to read the report as opposed to the press release accompanying it.

In the end, Bromwich's investigation appears to have turned up an amazing trove of evidence of drug dealing by Contras and their supporters. But the Inspector General failed to develop most of these leads, claiming it was outside his jurisdiction. "It is undeniable that individuals who had ties to the Contras or were Contra sympathizers were convicted of drug trafficking, either in the US or Central America," Bromwich writes. "There is undeniable evidence that certain groups associated with the Contras engaged in drug trafficking. The pervasiveness of such activities within the Contra movement and the US government's knowledge of those activities remains unclear."

Don't wait for those CIA press agents at the New York Times, the Washington Post or the Los Angeles Times to fill in the blanks. ■

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(Adidas, *continued from page 1)*
weekends. If the prisoner was not capable of meeting the quota, the guards punished him by making him stand up for 24-hour stretches. Inmates were often subject to beating, torture and other inhumane treatment by the guards while making Adidas balls. Targeted prisoners were forced to stand in two lines facing each other and were forced to slap each other's faces. Belts, wood sticks, iron spades and high-voltage electric prods were all used as tools of torture by the guards, punishing the prisoners who were unable to meet the quota of Adidas balls. Screams and moans came from the cells, as if from hell.

"Shanghai First Labor Re-education Camp never paid the prisoners who were forced to produce Adidas products. They were given Chinese Yuan as living subsidies for toothpaste or other necessities. The food prisoners ate was worse than the food that prison guards fed their dogs. Rice with mixed vegetable soup was the main dish, which is made of odious rice, hard to swallow, and dirty vegetable leaves and a bit of salt. Prisoners were allowed to bathe only twice a year."

"Adidas was grossly negligent in choosing its partner, grossly negligent in profiting from slave labor and political prisoners, and in ignoring the horrifying prison conditions of the maufacturing process...The game of soccer brings no happiness to those who are making the balls. There are thousands of slave laborers who are shedding tears and blood in China, though luckily I survived."

Yang Qinhang

"[Prisoners] endured untold pain and suffering and often were tortured by prison guards. We called [the camp] 'Hell on Earth.' Guards kicked and beat inmates, even whipped them, because they did not follow the guard's instructions or failed to meet the daily quota set by the authorities. In order to avoid beatings, they worked very hard, attempting to meet the quota. I often saw inmates collapse because they were too tired to stand up. I remember one time that one of the inmates worked continuously for two days, couldn't work any longer and fell

"The game of soccer brings no happiness to those who are making the balls", says Chinese political prisoner Bao Ge.

to the ground and slept. I was often woken up in the night by the noise and cries of the inmates, and the prison guards yelling from the work place where my colleagues were still busy trying to finish the contracts with Adidas and Shanghai Union. Some prisoners' hands were full of bleeding punctures from needle wounds, which quickly became swollen because there is no medical care. Never will I forget what happened at the camps."

When Bao Ge initially made his charges, Adidas denied that any of its subcontractors had employed inmates at the Shanghai camps. "We respect him as a person but he probably just does not understand the marketing of [soccer balls]," Peter Csanadi, an Adidas spokesman, said. "We think he probably mixed us up with another company."

But Bao Ge's statement gives a full description of the soccer balls he was making, from one panel with the words "France '98" to another panel with the word "Adidas" clearly printed. Meanwhile, the European Wall Street Journal found a manager of the factory attached to the Shanghai labor camp who admitted that prisoners there stitched together thousands of soccer balls for Adidas's subcontractor. "Some of the work is done by workers and some by criminals undergoing reform through labor", Zhang Caiyu told the newspaper.

Adidas now concedes that some of its contractors "likely" used Chinese prison labor to make commemorative World Cup balls. The company promises to centralize its subcontracting procedures in the future in order to ensure that its products aren't made with slave labor.

That probably won't appease Bao Ge and the other plaintiffs. The complaint compares Adidas executives to the defendants in the dock at Nuremberg, and says that company officials are guilty of "completely perverse and totally criminal" actions.

So it seems that Nike's got competition. And don't go looking to Reebok for moral guidance. The company that hosts an annual ceremony to honor human rights activists was found last year to have used, via a subcontractor, Pakistani children to manufacture soccer balls. It's all part of the new global economy, in which multinationals shop for workers in the world's "free labor markets": the slums of Haiti, the Chinese gulag and the tenements of Brooklyn. For those doing the hiring, bargains abound. ■

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